**Cavan County Council**

**Comhairle Chontae an Chabháin**

 

**Quality Assurance Report for 2014**

**Cavan County Council**

To Be Submitted to the National Oversight and Audit Commission (NOAC), In Compliance with the Public Spending Code

**Certification**

This Annual Quality Assurance Report reflects Cavan County Councils assessment of compliance with the Public Spending Code. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

Signature of Accounting Officer:

****

Date: \_\_29/09/2015\_\_\_\_

 **Contents**

1. **Introduction**

1. **Expenditure Analysis 2014**

1. **Assessment of Compliance**
2. **Next Steps: Addressing Quality Assurance Issues**

1. **Conclusion**

**Appendix 1:** Inventory of Projects and Programmes above €0.5m

**Appendix 2:** Self-Assessment Checklists (1-7)

**Appendix 3:** Audit Assurance Categories and Criteria

**1. Introduction**

Cavan County Council has completed this Quality Assurance (QA) Report as part of its on-going compliance with the Public Spending Code[[1]](#footnote-1) (PSC).

**1.1 - Quality Assurance Reporting Procedure**

The Public Spending Code requires public bodies to establish an internal, independent, quality assurance procedure involving annual reporting on how organisations are meeting their Public Spending Code obligations. This new Quality Assurance procedure replaces and updates the “spot check” requirements previously laid down in Circular letter dated 15th May 2007.The Public Spending Code ensures that the state achieves value for money in the use of all public funds.

The Quality Assurance Process contains the following five steps:

1. **Drawing up Inventories of all projects/programmes at different stages of the Project (expenditure) Life Cycle. The four stages of the life cycle are:**
2. Appraisal,
3. Planning / Design,
4. Implementation (Management)
5. Post –Project / Post Implementation Review

The inventory must include all current and capital Projects / Programmes whose expenditure / lifetime cost is above €0.5m. Each of the Projects / Programmes identified must be further categorised under one of the following areas /stages of expenditure for the year under review:

* Expenditure being considered - (Appraisal, Planning)
* Expenditure being incurred - (Management, Monitoring, Evaluation)
* Expenditure that has recently ended - (Review, Evaluation)
1. **Publishing summary information on website of all procurements in excess of €10m, whether new, in progress or completed in the year under review.**

1. **Completing checklists in respect of the different areas / stages of expenditure.**

Seven (7) basicchecklists covering all stages of expenditure must be completed. These self-assessed estimates of compliance can be based on an appropriate sample of the projects/areas of expenditure that are relevant to the checklist. The sample could be 5-10% of projects / programmes. The sample should rotate from year to year.

These are high level checks that should be readily completed within each organisation. Only one of each checklist per Department/Agency/Local Authority is required. Checklists are not required for each project/programme. The QA process for verifying the accuracy of responses on the checklist is based on a sample of projects/programmes and is Step 4 of the process.

1. **Carrying out a more in-depth check on a small number of selected projects/programmes.**

 The value of the projects selected per annum, should be at least 5% of the total value of all projects in the inventory.

1. **Completing a short report for the National Oversight and Audit Commission (NOAC).**  The report will be generated as a matter of course through compliance with steps 1-4 above. It includes:-
* The inventory of all projects/programmes above €0.5m,
* The website reference for the publication of procurements above €10m,
* The completed checklists,
* The Local Authorities judgement on the adequacy of processes given the findings from the in-depth checks and
* The Local Authorities proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA Process for Cavan County Council for 2014. It is important to note that 2014 is the first year in which the QA process has applied in Local Authorities. Projects and Programmes which predate Circular 13/13[[2]](#footnote-2) were subject to prevailing guidance covering public expenditure, e.g. the Capital Appraisal Guidelines 2005.

**2. Expenditure Analysis 2014**

**2.1 - Inventory of Projects/Programmes**

The inventory list drawn up by Cavan County Council for **2014**, was done in accordance with the Department of Public Expenditure and Reform guidance on the Quality Assurance process. The inventory lists all of Cavan County Councils projects and programmes at various stages of the project life cycle for **2014** whose expenditure / lifetime cost was above €0.5m. This inventory is divided between current and capital projects / programmes (incl Capital Grant Schemes) which are further categorised under one of the following relevant areas / stages of expenditure:

* Expenditure being considered
* Expenditure being incurred
* Expenditure that has recently ended

The Inventory list, identifies a total number of **62** Projects / Programmes.

**(35** Capital and **27** Current)



**For the Purposes of this Report:-**

* The Capital Expenditure identified refers to Capital Projects/Programmes for **2014** whose lifetime cost (all costs that arise over the lifetime of a project) is estimated to exceed €0.5m. Each Capital Expenditure figure shown is actually the relevant lifetime cost for that particular Project/Programme.
* The Current Expenditure identified refers to actual revenue expenditure for services exceeding €0.5m in **2014** (based on services identified in the AFS for the year under review). Each Current Expenditure figure shown refers to the actual spend in 2014 for the relevant service.

**2.2 – Summary of Inventory Analysis for 2014**

 **The Chart below** identifies the number of current and capital projects / programmes for each Service Divisions of Cavan County Council whose expenditure / lifetime cost was above €0.5m in 2014, and further divides each under the relevant areas / stages of expenditure.



Full tables including details of each project / programme are listed in **Appendix 1**. For the purposes of clarity and accuracy the inventory in appendix 1 was compiled using the suggested template that accompanied the Quality Assurance Requirements - Guidance note dated 30th July 2015.

**Expenditure being considered**

There were a total of **9** projects / programmes being considered across the various spending and price categories. Housing and Building was the primary area with 4 projects/programmes listed between €0.5 and €5 million.

**Expenditure being incurred**

**38** projects / programmes were identified. Roads Transport and Safety was the primary area with 7 projects/programmes listed between €0.5 and €5 million, 4 projects/programmes listed between €5 and €20 million and 1 programme listed over €20 million.

**Expenditure that has recently ended**

In 2014, **15** projects / programmes ended which incurred expenditure of over €0.5m. These were all capital projects / programmes under the €0.5 - €5 million value category.

**2.3 - Published Summary of Procurements**

As part of the Quality Assurance process Cavan County Council has published, summary information on the Council’s website of all procurements in excess of €10m. Listed below is the link to this publication page and an illustration of its location.

**Link to Procurement Publications:**

<http://www.cavancoco.ie/Default.aspx?StructureID_str=466>

****

*Source:* [*www.cavancoco.ie*](http://www.cavancoco.ie)

**3. Assessment of Compliance**

**3.1 - Checklist Completion:**

The third step in the Quality Assurance process involves completing a set of checklists covering all expenditure. The high level checks in Step 3 of the QA process are based on a sample of self-assessments carried out within the relevant sections / departments of Cavan County Council in respect of guidelines set out in the Public Spending Code.

There are seven checklists in total:

* **Checklist 1:** General Obligations Not Specific to Individual Projects/Programmes
* **Checklist 2:** Capital Projects or Capital Grant Schemes Being Considered
* **Checklist 3**: Current Expenditure Being Considered
* **Checklist 4:** Capital Expenditure Being Incurred
* **Checklist 5:** Current Expenditure Being Incurred
* **Checklist 6:** Capital Expenditure Completed
* **Checklist 7:** Current Expenditure Completed

**3.2 – Procedure used:**

**Checklist 1** - The first checklist captures obligations / good practice that apply to the organisation as a whole. This was completed by the Procurement Officer and verified by the Head of Finance.

**Checklist 2-7 –** Cavan County Council, compiled a full set of checklists for the organisation, based on the sample of individual checklists completed by therelevant sections / departments within Cavan County Council.

In accordance with the Quality Assurance Guidelines. Each relevant section / department within Cavan County Council was required to choose an appropriate sample of projects / areas of expenditure (as identified in the Inventory list) applicable to them, and relevant to the checklists. Only one checklist per section per stage of expenditure (expenditure type) was required.

**3.3 - Choosing appropriate Samples:**

**18 samples** were chosen representing **32%** of the total expenditure in the 2014 inventory list.

1. **Current Expenditure**

The following **8** service types were selected from the 27 identified in the inventory list for 2014. These account for **46%** of the total current expenditure identified. To achieve a greater spread of sample, one service type from each Service Division was chosen.

|  |  |  |
| --- | --- | --- |
| **Service Division** | **Service Type** | **Service Expenditure** |
| HOUSING and BUILDING | A07  RAS Programme | €2,903,753.00 |
| ROAD TRANSPORTATION and SAFETY | B04  Local Road - Maintenance and Improvement | €9,586,841.00 |
| WATER SERVICES | C05  Admin of Group and Private Installations | €3,946,956.46 |
| DEVELOPMENT MANAGEMENT | D02  Development Management | €859,867.05 |
| ENVIRONMENTAL SERVICES | E11  Operation of Fire Service | €3,578,128.00 |
| RECREATION and AMENITY | F02  Operation of Library and Archival Service | €1,637,727.00 |
| AGRICULTURE, EDUCATION, HEALTH and WELFARE | G05  Educational Support Services | €852,268.85 |
| MISCELLANEOUS SERVICES | H10  Motor Taxation | €713,525.24 |

1. **Capital Expenditure**

The following **10** Capital Projects were selected from the 35 identified in the inventory list for 2014. These account for **27%** of the total capital expenditure identified. To achieve a greater spread of sample, a minimum of 3 samples from each expenditure type was chosen.

|  |  |  |  |
| --- | --- | --- | --- |
| **Project/ Programme Description** | **Expenditure Type** | **Project/ Programme Description** | **Capital Expenditure** |
| HOUSING and BUILDING | 1 | Mullagh – Construction of 6 Units | €660,000.00 |
| ENVIRONMENTAL SERVICES | 1 | Virginia Fire Station | €800,000.00 |
| RECREATION and AMENITY | 1 | Virginia Library | €3,543,147.00 |
| ROAD TRANSPORTATION and SAFETY | 2 | 22211550 - Corduff To South of Killydoon | €19,795,322.00  |
| WATER SERVICES | 2 | 31202220 - Capital Replacement Fund Grant Aid - Group Water Schemes | €1,393,577.38 |
| DEVELOPMENT MANAGEMENT | 2 | 43462028 - Harnessing Natural Resources | €3,064,000.00 |
| HOUSING and BUILDING | 3 | 2014 Allocation - Housing Adaptation Grant Schemes For Older People and People with a Disability | €1,304,688.00 |
| 3 | 11502066 Construction of 5 Units – Derrylurgan Ballyjamesduff | €561,964.00 |
| ENVIRONMENTAL SERVICES | 3 | 51202172 - Mullagh Landfill | €2,595,525.00 |
| MISCELLANEOUS SERVICES | 3 | 62201700 + 88800019 – Belturbet Courthouse Development Association | €1,100,000.00 |

**Expenditure Type - 1 = Being Considered, 2 = Being Incurred, 3 = Recently Ended**

**3.4. – Checklist Results:**

The full set of checklists for Cavan County Council is set out in **Appendix 2** of this report. In addition to the self-assessed scoring, the vast majority of answers are accompanied by explanatory comments. Each question in the checklist is judged by a 5 point scale- **0.** Not Done, **1.** < 50% compliant, **2.** 50-75% compliant, **3.** > 75% compliant or **4.** 100% compliant.

**3. 5 - Main Issues Arising from Checklist Assessment**

The completed check lists show the extent to which Cavan County Council believes it complies with the Public Spending Code. Overall, the checklists show a good level of compliance with the Code.

Cavan County Councils set of checklists takes an overview of expenditure covering the organisation as a whole. A sample of individual checklists from relevant sections / departments within Cavan County Council have informed the completion of the Councils checklists.

The following are the **main issues arising from the relevant checklist**:-

* + 1. **General Obligations:-**
1. **Checklist 1 – General Obligations: -** 2014 is the first year of the Public Spending Code. No Previous QA’s. No Training provided for Local Government to date. However the Checklist demonstrates the Councils commitment to adhering to the Public Spending Code and the desire for training in this area.
	* 1. **Expenditure being considered:-**
2. **Checklist 2 – Capital Expenditure: -** The checklist for capital expenditure under consideration suggests good levels of compliance with the PSC in general with regard to areas such as appraisal, procurement, and complying with the relevant Sanctioning Authorities requirements.

1. **Checklist 3 - Current Expenditure: -** No new current expenditure programmes were under consideration in 2014.
	* 1. **Expenditure being incurred:-**
2. **Checklist 4 – Capital Expenditure: -** Good levels of compliance are evident, with regards, appointment of Project / Programme Managers, regular communication with relevant Sanctioning Authority, conducting meetings and issuing reports.
3. **Checklist 5 – Current Expenditure: -** The services identified are primarily rolling year to year. Services provided are statutory functions of the Local Authority and therefore have strict rules and regulations that must be complied with. The checklist provides good evidence of compliance with regards clear objectives, outputs and outcomes as identified in various Legislation, Regulations, Schemes, Programmes, Plans, Financial records, Service Indicators, KPI’s, and Department Returns etc.
	* 1. **Expenditure that has recently ended**
4. **Checklist 6 – Capital Expenditure: -** Post Project Reviews are undertaken on an ongoing basis or as and when required. The format for recording such reviews varies and may take place at different intervals as and when required by the project / programme.
5. **Checklist 7 Current Expenditure: -** No current expenditure programmes were ended in 2014.

**3.6 - In-Depth Checks**

The following section details the in-depth checks which were carried out by Cavan County Councils Internal Auditor as part of the Public Spending Code.

The Public Spending Code requires that at least 5% of the total value of all projects / programmes in the inventory list for the relevant year be subject to closer examination. Two Capital Projects where selected by the Internal Auditor for further in-dept checks. The checks which are summarised here represent **11.20%** of the Council’s overall inventory of **€182,237,175.19** for **2014.**

The two projects selected for in-depth checks had a total estimated lifetime cost of €20,357,286.00. These included one large ongoing roads capital project with an estimated lifetime cost of €19,795,322.00 and one smaller social housing capital scheme recently ended in 2014 with an estimated lifetime cost of €561,964.00.

**List of Projects/Programmes Selected and Summary of the in-dept check findings:-**

* Project 1- 22211550 - N55 Corduff to Killydoon Improvements Scheme - €19,795,322
* Project 2 - 11502066 - Construction of 5 Units – Derrylurgan Ballyjamesduff - €561,964
	+ 1. **- Project 1 - 22211550 - N55 Corduff to Killydoon Improvements Scheme**

**Process:** The Internal Auditor picked this project, because the value (lifetime cost) exceeded 5% of the total value of all projects/programmes in the inventory list for 2014. The project was also included in the samples taken to inform the completion of the Councils overall checklists.

The Councils Roads Design Department were requested to complete the Internal Auditors own in-dept capital appraisal for this project. In addition to this the Internal Auditor examined relevant records and conducted a number of one on one meetings with relevant staff.

**Objectives:**  The in-depth review focused on the management procedures applied to the appraisal, planning and design stages of the project. The project has yet to progress to the construction phases.

**Outcomes:** The Internal Auditor found that the project provided **Satisfactory Assurance** (see Appendix 3) that there was compliance with the Public Spending Code, however, he noted that the project predated Circular 13/13: The Public Spending Code. A project appraisal was carried out, and represented Value for Money. All relevant documentation such as Project Briefing, Feasibility Studies etc were submitted to the NRA in accordance with best practice.

The Project Appraisal Report and Project Appraisal Balance Sheet were completed on the back of the Project Business Case Study, Traffic Modelling Report, Cost Benefit Analysis and Multi Criteria Analysis. Procurement to date appeared to be in accordance with proper procurement practices and its noted that the project has progressed to the next design stage.

**Assessment:** The Internal Auditor noted that the project appeared to have been well managed during the Appraisal, Planning and Design Phases, however it would be difficult to appraise future compliance at this stage given the level of expenditure incurred to date compared to the overall projected lifetime costs. In summary the project provided **Satisfactory Assurance** (see Appendix 3) and going forward (in accordance with thePublic Spending Code), the Internal Auditor made the following three key recommendations:-

1. That a system be established to record and monitor the sequence / flow of all key decision points, documents, approvals and agreements reached that are relevant to effective project management.
2. For monitoring the effective progression of the project it is recommended that due consideration be given to setting future deliverables dates.
3. The decisions taken on all cost over-run should be clearly documented. Potential cost over-runs must also be identified on the Dept’s Risk Register.

**3.6.2 - Project 2 – 11502066 - Construction of 5 Units – Derrylurgan Ballyjamesduff**

**Process:** The Internal Auditor picked this project, because it recently ended in 2014 and was also included in the samples taken to inform the completion of the Councils overall checklists.

The Councils Housing Department were requested to complete the Internal Auditors own in-dept capital appraisal for this project. In addition to this the Internal Auditor examined relevant records and conducted a number of one on one meetings with relevant staff.

**Objectives:** The in-depth review focused on the management procedures applied to all phases of the project (Appraisal, Planning and Design, Implementation and Post Project Review). The Internal Auditor noted that from the Initial appraisal and brief documents the project objective was clearly defined.

**Outcomes:** The Internal Auditor found that the project provided **Satisfactory Assurance** (see Appendix 3) that there was compliance with the Public Spending Code, however, he noted that the project predated Circular 13/13: The Public Spending Code.

The in-dept review noted that a design brief clearly identified the housing need in the area. Funding was delivered under the Social Housing Investment Programme (Ship). The project was designed in-house. Part 8 Planning was awarded and Procurement for the construction of the houses was carried out correctly. The Internal Auditor also noted that once the houses were built, they were allocated out in accordance with the Councils Allocation Scheme to meet the housing need in that area. Funding is almost claimed in full under the Social Housing Investment Programme (Ship), and a Post Project Review is due shortly.

**Assessment:** In summary, it is clear that the initial decision to go ahead with the project was soundly based and that the project was well managed. The project provides **Satisfactory Assurance** (see Appendix 3) that there is compliance with the Public Spending Code. Going forward (in accordance with thePublic Spending Code), the Internal Auditor made the following three key recommendations:-

1. It is recommended that regardless of project size all possible options should be assessed from a risk and benefit prospective, with a costing comparisons prepared to ensure value for money is achieved at all times. (Recorded kept on project file).
2. The final recoupment of €11,453.53 in regard to project expenditure should be completed whenever feasible by the Housing Construction Section of the Council.
3. The post project review on this scheme should be concluded shortly to identify the outcomes achieved and any lesson learned.

**4. Next Steps: Addressing Quality Assurance Issues**

The compilation of both the inventory and checklists for 2014 and first year of this QA process was a significant co-ordination task in terms of liaising with all relevant sections / departments within Cavan County Council and collating of relevant information for the inventories and the checklists.

It is envisaged that with proper training, the administrative burden of the QA process will ease, over time. The process will be embedded in to how the Council conducts its business.

As discussed in Section 3, in-depth checks were carried out on:-

* Project 1. 22211550 - N55 Corduff to Killydoon Improvements Scheme - €19,795,322
* Project 2. 11502066 - Construction of 5 Units – Derrylurgan Ballyjamesduff - €561,964

These in-dept checks were useful in enabling the councils internal auditor developed his own in dept capital appraisal checklist which linked in with the Quality Assurance process. Staff training on the public spending code is key to ensure greater understanding, proper compliance and best practices with regards file and record management. The projects examined, both predated Circular 13/13- PSC.

It is envisaged that the 5 steps of the Quality Assurance element of the PSC will continue to be coordinated by the Procurement Officer with in-dept checks being undertaken by the Internal Auditor over a longer period of time to allow the internal auditor sufficient time for his assessments.

**Summary of Future Process for In-Depth Check by Cavan County Council**

**Inventory for relevant year Compiled/Updated by Procurement Officer**

**Random Selection of at least 5%** of those projects / programmes whose total value per annum, is at least 5% of the total value of all projects in the inventory **by Internal Auditor**

**Internal Auditor Informs Relevant Section / Department of Selection**

**Relevant Section / Department Provides Internal Auditor with All Relevant Material**

**Internal Auditor Completes In-Depth Check to Assess Compliance with PSC**

Finally, as not all Sections / Departments will be subject to in-depth checks, it is proposed to seek letters of assurance annually from the Heads of each Section setting out their compliance with the Public Spending Code. Given the subjective nature of the checklists, it is considered prudent to request that each section provide a basic level of comfort to the Chief Executive and Head of Finance with regard to their sections compliance with the Code.

**In summary, recommendations for future year QA reports are the following:**

1. Staff Training on the Public Spending Code is required.
2. Where existing spot check programmes are in place, they should continue in so far as possible by the Internal Auditor, and where applicable will be reported in the QA report for the relevant year.
3. Inventory will be updated annually and sample checklists will be required for various spend.
4. In dept Checks will be carried out as per the Public Spending Code.
5. Letters of assurance of compliance with the Public Spending Code should be sought on an annual basis from the Heads of each Section / Department.

**5. Conclusion**

The inventory outlined in this report clearly lists the current and capital expenditure for the 2014 period that is being considered, being incurred, and that has recently ended. Cavan County Council has published details of all procurements in excess of €10 million on its website. The checklists completed by Cavan County Council show a high level of compliance with the Public Spending Code. The in-depth checks carried out on a selection of programmes revealed no major issues which would cast doubt on the Councils compliance with the Code. However, it is acknowledged that training is required in order to ensure proper compliance with the Public Spending Code and that future in-depth checks are suitably detailed to allow an assessment to be made on compliance with the Code.

**Appendix 1**

Cavan County Council

2014 Inventory of Projects and Programmes over €0.5m

The following contains an inventory of Expenditure on Projects / Programmes with a value above €0.5m, categorised by:-

* Expenditure **being considered**,
* Expenditure **being incurred** and
* Expenditure **recently ended**.

Only projects with Total Project Expenditure matching these criteria are included in the Inventory table

|  |
| --- |
|  |
| **Expenditure Being Considered** |
| **Project/ Programme Description** | **Revenue Expenditure** | **Capital Expenditure** |
|  | **€0.5m -€5m** |  **€5m - €20m** | **Over €20m** | **€0.5m - €5m** |  **€5m - €20m** | **Over €20m** |
| **Projects of total value**  |
| **HOUSING and BUILDING** |   |   |   |   |   |   |
| Mullagh – Construction of 6 Units |   |   |   | €660,000.00 |   |   |
| House Purchases 2015 |  |   |   | €900,000.00 |   |   |
| Energy Retrofit Programme 2015 |   |   |   | €600,000.00 |   |   |
| Voluntary Housing Capital Assistance Scheme |   |   |   | €901,798.00 |   |   |
| **ROAD TRANSPORTATION and SAFETY** |   |   |   |   |   |   |
| N3 Virginia Main Street Safety Scheme |   |   |   | €615,000.00 |   |   |
| 23200020 - Multi-storey Car Park Cavan Town |   |   |   |   | €6,682,962.64 |   |
| **ENVIRONMENTAL SERVICES** |   |   |   |   |   |   |
| Virginia Fire Station |   |   |   | €800,000.00 |   |   |
| Remediation of Cootehill Landfill |   |   |   | €900,000.00 |   |   |
| **RECREATION and AMENITY** |   |   |   |   |   |   |
| Virginia Library |   |   |   | €3,543,147.00 |   |   |

|  |
| --- |
| **Expenditure Being Incurred** |
|
|  |  |  |
| **Project/ Programme Description** | **Revenue Expenditure** | **Capital Expenditure** |
|  | **€0.5m -€5m** |  **€5m - €20m** | **Over €20m** | **€0.5m - €5m** |  **€5m - €20m** | **Over €20m** |
| **Projects of total value**  |
| **HOUSING and BUILDING** |   |   |   |   |   |   |
| House Purchases 2014 |   |   |   | €787,148.00 |   |   |
| A01 Maintenance/Improvement of LA Housing | €1,936,517.00 |   |   |   |   |   |
| A07 RAS Programme | €2,903,753.00 |   |   |   |   |   |
| **ROAD TRANSPORTATION and SAFETY** |   |   |   |   |   |   |
| 22100010 - Butlersbridge/Belturbet |   |   |   |   |   | €46,343,054.99 |
| 22211550 - Corduff To South Of Killydoon |   |   |   |   | €19,795,322.00 |   |
| 22211551 - Dundavan Mullaghoran Realignment Scheme - N55 |   |   |   |   | €7,897,647.00 |   |
| 28702165 - Cavan Town Smarter Travel |   |   |   | €857,897.00 |   |   |
| 22400010, 28800015, 28800017, 28880019 - CAVAN EASTERN TOWN CENTRE ACCESS (DEV CONT) |   |   |   |   | €9,189,455.00 |   |
| B01 NP Road - Maintenance and Improvement | €1,242,336.08 |   |   |   |   |   |
| B02 NS Road - Maintenance and Improvement | €631,252.74 |   |   |   |   |   |
| B03 Regional Road - Maintenance and Improvement | €3,851,248.00 |   |   |   |   |   |
| B04 Local Road - Maintenance and Improvement |   | €9,586,841.00 |   |   |   |   |
| B05 Public Lighting  | €586,248.95 |   |   |   |   |   |
| B09 Maintenance & Management of Car Parking | €902,101.45 |   |   |   |   |   |
| B11 Agency & Recoupable Services | €1,005,335.00 |   |   |   |   |   |

|  |
| --- |
| **Expenditure Being Incurred (Cond’t)** |
|
|  |  |  |
| **Project/ Programme Description** | **Revenue Expenditure** | **Capital Expenditure** |
|  | **€0.5m -€5m** |  **€5m - €20m** | **Over €20m** | **€0.5m - €5m** |  **€5m - €20m** | **Over €20m** |
| **Projects of total value**  |
| **WATER SERVICES** |   |   |   |   |   |   |
| 31202220 - Capital Replacement Fund Grant Aid - Group Water Schemes |   |   |   | €1,393,577.38 |   |   |
| C01 Operation and Maintenance of Water Supply | €2,286,739.00 |   |   |   |   |   |
| C02 Operation and Maintenance of Waste Water Treatment | €1,954,630.00 |   |   |   |   |   |
| C05 Admin of Group and Private Installations | €3,946,956.46 |   |   |   |   |   |
| **DEVELOPMENT MANAGEMENT** |   |   |   |   |   |   |
| 43462028 - Harnessing Natural Resources |   |   |   |  €3,064,000.00 |   |   |
| 43602192 - Geopark |   |   |   | €1,137,354.91 |   |   |
| D02 Development Management | €859,867.05 |   |   |   |   |   |
| D06 Community and Enterprise Function | €1,166,177.00 |   |   |   |   |   |
| D09 Economic Development and Promotion | €968,122.00 |   |   |   |   |   |
| **ENVIRONMENTAL SERVICES** |   |   |   |   |   |   |
| 51202173 - Kingscourt Landfill |   |   |   | €731,000.00 |   |   |
| 51202037 - Corranure Cell 4 Development |   |   |   | €710,466.00 |   |   |
| E01 Operation, Maintenance and Aftercare of Landfill | €633,900.00 |   |   |   |   |   |
| E07 Waste Regulations, Monitoring and Enforcement | €501,859.99 |   |   |   |   |   |
| E11 Operation of Fire Service | €3,578,128.00 |   |   |   |   |   |
| E13 Water Quality, Air and Noise Pollution | €601,366.72 |   |   |   |   |   |

|  |
| --- |
| **Expenditure Being Incurred (Cond’t)** |
|
|  |  |  |
| **Project/ Programme Description** | **Revenue Expenditure** | **Capital Expenditure** |
|  | **€0.5m -€5m** |  **€5m - €20m** | **Over €20m** | **€0.5m - €5m** |  **€5m - €20m** | **Over €20m** |
| **Projects of total value**  |
| **RECREATION and AMENITY** |   |   |   |   |   |   |
| F02 Operation of Library and Archival Service | €1,637,727.00 |   |   |   |   |   |
| F05 Operation of Arts Programme | €1,213,806.00 |   |   |   |   |   |
| **AGRICULTURE, EDUCATION, HEALTH and WELFARE** |   |   |   |   |   |   |
| G04 Veterinary Service | €556,300.57 |   |   |   |   |   |
| G05 Educational Support Services | €852,268.85 |   |   |   |   |   |
| **MISCELLANEOUS SERVICES** |   |   |   |   |   |   |
| H03 Administration of Rates | €2,555,151.40 |   |   |   |   |   |
| H09 Local Representation/Civic Leadership | €1,439,773.51 |   |   |   |   |   |
| H10 Motor Taxation | €713,525.24 |   |   |   |   |   |
| H11 Agency & Recoupable Services | €3,798,679.00 |   |   |   |   |   |

|  |
| --- |
| **Expenditure Recently Ended** |
|  |
|  |  |  |
| **Project/ Programme Description** | **Revenue Expenditure** | **Capital Expenditure** |
|  | **€0.5m -€5m** |  **€5m - €20m** | **Over €20m** | **€0.5m - €5m** |  **€5m - €20m** | **Over €20m** |
| **Projects of total value**  |
| **HOUSING and BUILDING** |   |   |   |   |   |   |
| 11502066 - Construction of 5 Units – Derrylurgan Ballyjamesduff |   |   |   | €561,964.00 |   |   |
| Energy Retrofit Programme 2015 |   |   |   | €1,036,029.00 |   |   |
| 2014 Allocation - Housing Adaptation Grant Schemes For Older People and People with a Disability |   |   |   | €1,304,688.00 |   |   |
| **ROAD TRANSPORTATION and SAFETY** |   |   |   |   |   |   |
| 22111N16 - Correvan To Kiltomulty |   |   |   | €731,199.00 |   |   |
| 22111N38 - Virginia To Maghera Village Pavement Overlay |   |   |   | €982,941.00 |   |   |
| 22111N3B - N3 Belturbet To Aghalane |   |   |   | €800,005.00 |   |   |
| 22211555 - Shannow To Ballinagh |   |   |   | €900,833.00 |   |   |
| 2226N872 - Ballyconnell Relief Road |   |   |   | €7,197,381.00 |   |   |
| 2227N553 - Road Realignment At Corduff To Ballytrust |   |   |   | €2,662,198.00 |   |   |
| 2227N871 - Belturbet To Ballyconnell Realignment - N87 |   |   |   | €2,046,904.00 |   |   |
| **WATER SERVICES** |   |   |   |   |   |   |
| 2014 Annual Rural Water Capital Allocation Programme  |   |   |   | €575,000.00 |   |   |

|  |
| --- |
| **Expenditure Recently Ended (Cond’t)** |
|  |
|  |  |  |
| **Project/ Programme Description** | **Revenue Expenditure** | **Capital Expenditure** |
|  | **€0.5m -€5m** |  **€5m - €20m** | **Over €20m** | **€0.5m - €5m** |  **€5m - €20m** | **Over €20m** |
| **Projects of total value**  |
| **ENVIRONMENTAL SERVICES** |   |   |   |   |   |   |
| 51202136 - Corranure Landfill Cell 3 Capping |   |   |   | €2,659,561.41 |   |   |
| 51202172 - Mullagh Landfill |   |   |   | €2,595,525.00 |   |   |
| **MISCELLANEOUS SERVICES** |   |   |   |   |   |   |
| 62201700 + 88800019 - Belturbet Courthouse Development Association |   |   |   | €1,100,000.00 |   |   |
| 82200199 - Purchase of Plant 2014 |   |   |   | €726,505.85 |   |   |

**Appendix 2**

All Self-Assessment Checklists

(1 – 7)

For 2014**Checklist 1: – General Obligations not specific to individual projects/programmes**

|  |  |  |  |
| --- | --- | --- | --- |
|  **Ref** | **General Obligations not specific to individual projects/programmes**  | **Self-Assessed Compliance Rating:****0 - 4** | **Comment/Action Required** |
|  **CHK1.1** | Does the Department ensure, on an ongoing basis that appropriate people within the Department and in its agencies are aware of the requirements of the Public Spending Code? | 3 | 2014 is the first year of the PSC in Local Government, however all relevant staff & agencies have been notified of their obligations under the PSC |
| **CHK1.2** | Has there been participation by relevant staff in external training on the Public Spending Code (i.e. DPER) | N/A | No Training provided for Local Government sector to date. |
| **CHK1.3** | Has Internal training on the Public Spending Code been provided to relevant staff?  | 3 | 2014 is first year of PSC and training needs, if any, have yet to be identified. A revised National QA Guidance document has been developed and circulated to all relevant staff & agencies. |
| **CHK1.4** | Has the Public Spending Code been adapted for the type of project/programme that your Department is responsible for? i.e. have adapted sectoral guidelines been developed?  | 3 | 2014 is first year of PSC and while the revised National QA Guidance is being complied with, Local sectoral guidelines have as yet to be developed, which will, if necessary, be done in line with relevant training. |
| **CHK1.5** | Has the Department in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?  | N/A | All Grants are approved and awarded in accordance with the relevant schemes. |
| **CHK1.6** | Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Local Authority and to your agencies?  | N/A | 2014 is the first year of the PSC in Local Government, so no previous QA’s. However in the past where our Internal Auditor has carried out spot checks (on services), reports and recommendations would have been sent to the relevant party for review and application |
| **CHK1.7** | Have recommendations from previous Quality Assurance exercises been acted upon?  | N/A | 2014 is the first year of the QA requirement in Local Government |
| **CHK1.8** | Has an annual Public Spending Code Quality Assurance Report been submitted to NOAC?  | 4 | Yes – Report submitted |
| **CHK1.9** | Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process?  | 4 | Required Sample reviewed |
| **CHK1.10** | Has the Accounting Officer signed off on the information to be published to the website?  | 4 | Yes. CE has signed off |
|  | **Self-Assessed Ratings:** **0** - Not Done, **1 -** < 50% compliant, **2** - 50-75% Compliant, **3** - > 75% Compliant, **4** – 100% Compliant |

**Checklist 2:** – to be completed in respect of **capital projects or capital programme / grant scheme** that is or was **(being considered / under consideration)** in the past year.

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref** | **Capital Expenditure being considered - Appraisal and Approval**  | **Self-Assessed Compliance Rating:****0 - 4** | **Comment/Action Required** |
| **CHK2.1** | Was a Preliminary Appraisal undertaken for all projects > €5m  | 4 | Yes – Appraisals where undertaken as and when required and sent to the relevant Sanctioning Authority for approval |
| **CHK2.2** | Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?  | 4 | Yes – Appraisals conducted in accordance with the Sanctioning Authorities requirements. |
| **CHK2.3** | Was a CBA/CEA completed for all projects exceeding €20m? **CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis** | N/A | N/A |
| **CHK2.4** | Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision) | 3 | Yes – Appraisals are sent to the relevant sanctioning Authorities well in advance to facilitate decision making.  |
| **CHK2.5** | Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase (e.g. procurement)? | 4 | Where this is a requirement, all necessary approval is sought, and only when approval in principle is granted can the project/programme proceed. |
| **CHK2.6** | If a CBA/CEA was required was it submitted to the CEEU for their view? **CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis****CEEU = Central Expenditure Evaluation Unit ,**  | N/A | N/A |
| **CHK2.7** | Were the NDFA Consulted for projects costing more than €20m? **NDFA = National Development Finance Agency** | N/A | N/A |
| **CHK2.8** | Were all projects that went forward for tender in line with the Approval in Principle and if not was the detailed appraisal revisited and a fresh Approval in Principle granted?  | 4 | Yes  |
| **CHK2.9** | Was approval granted to proceed to tender?  | 4 | Yes – where applicable |
| **CHK2.10** | Were Procurement Rules complied with?  | 4 | Yes – Tenders are carried out in accordance with EU directives and National Guidelines |
| **CHK2.11** | Were State Aid rules checked for all supports?  | N/A | N/A |
| **CHK2.12** | Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?  | N/A | N/A |
| **CHK2.13** | Were Performance Indicators specified for each project/programme which will allow for the evaluation of its efficiency and effectiveness?  | N/A | N/A |
| **CHK2.14** | Have steps been put in place to gather the Performance Indicator data?  | N/A | N/A |
|  | **Self-Assessed Ratings:** **0** - Not Done, **1 -** < 50% compliant, **2** - 50-75% Compliant, **3** - > 75% Compliant, **4** – 100% Compliant |

**Checklist 3:** – New **current expenditure** or expansion of existing current expenditure **being considered** / **under consideration**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref** | **Current Expenditure being considered - Appraisal and Approval**  | **Self-Assessed Compliance Rating:****0 - 4** | **Comment/Action Required** |
| **CHK3.1** | Were objectives clearly set?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.2** | Are objectives measurable in quantitative terms?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.3** | Was an appropriate appraisal method used?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.4** | Was a business case incorporating financial and economic appraisal prepared for new current expenditure?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.5** | Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.6** | Was the required approval granted?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.7** | Has a sunset clause been set?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.8** | Has a date been set for the pilot and its evaluation?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.9** | Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.10** | If outsourcing was involved were Procurement Rules complied with?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.11** | Were Performance Indicators specified for each new current expenditure proposal or expansion of existing current expenditure which will allow for the evaluation of its efficiency and effectiveness?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK3.12** | Have steps been put in place to gather the Performance Indicator data? | N/A | No programmes relevant to PSC in 2014 |
|  | **Self-Assessed Ratings:** **0** - Not Done, **1 -** < 50% compliant, **2** - 50-75% Compliant, **3** - > 75% Compliant, **4** – 100% Compliant |

**Checklist 4:** - Complete if your organisation had **capital projects/programmes** that were **incurring expenditure during the year under review**.

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref** | **Incurring Capital Expenditure** | **Self-Assessed Compliance Rating:****0 – 4** | **Comment/Action Required** |
| **CHK4.1** | Was a contract signed and was it in line with the approval in principle?  | 4 | Yes – Contract signing is required for large scale capital projects |
| **CHK4.2** | Did management boards/steering committees meet regularly as agreed?  | 4 | Yes – Regular Meetings did take place (Monthly, Quarterly, and Annually)  |
| **CHK4.3** | Were Programme Co-ordinators appointed to co-ordinate implementation?  | 4  | Yes - as and when required |
| **CHK4.4** | Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?  | 4 | Yes – Project Managers appointed are usually at a senior level.  |
| **CHK4.5** | Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?  | 4 | Yes and reported to relevant Sanctioning Authority as and when required |
| **CHK4.6** | Did the project keep within its financial budget and its time schedule?  | 3 | Some budget adjustments / time extensions required  |
| **CHK4.7** | Did budgets have to be adjusted?  | N/A | Where applicable Budgets are adjusted in accordance with Sanctioning Authorities approval |
| **CHK4.8** | Were decisions on changes to budgets/time schedules made promptly?  | N/A | Decisions on changes to budgets/time schedules are usually made promptly |
| **CHK4.9** | Did circumstances ever warrant questioning the viability of the project and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence) **CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis** | N/A | N/A |
| **CHK4.10** | If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?  | N/A | N/A |
| **CHK4.11** | If costs increased was approval received from the Sanctioning Authority?  | N/A | Where applicable approval is sought  |
| **CHK4.12** | Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?  | N/A | N/A |
| **CHK4.13** | For significant projects were quarterly reports on progress submitted to the MAC (Management Team) and to the Minister?  | N/A | Where applicable and If required quarterly reports on progress will be submitted to the MAC (Management Team) and to the Minister |
|  | **Self-Assessed Ratings:** **0** - Not Done, **1 -** < 50% compliant, **2** - 50-75% Compliant, **3** - > 75% Compliant, **4** – 100% Compliant |

**Checklist 5:** - For **current expenditure** **being incurred**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref No.** | **Incurring Current Expenditure** | **Self-Assessed Compliance Rating:****0 - 4** | **Comment/Action Required** |
| **CHK5.1** | Are there clear objectives for all areas of current expenditure?  | 4 | Yes – Spending Programme defined as part of annual budgeting process, taking into account relevant grant schemes and allocations. Goals and activities are also identified in the councils business plan, and individual department programmes (i.e the road works programme) |
| **CHK5.2** | Are outputs well defined?  | 4 | Yes – outputs usually defined in the relevant statutory regulations/acts, scheme or programme |
| **CHK5.3** | Are outputs quantified on a regular basis?  | 4 | Yes – depending on the scheme / programme, Financial/activity reports and KPI’s may be issued to the relevant Sanctioning Authority monthly, quarterly or annually |
| **CHK5.4** | Is there a method for monitoring efficiency on an ongoing basis?  | 4 | Yes – Through various statistical reports, Department reports, databases (Roadmap), Personal Development Plans and KPI’s |
| **CHK5.5** | Are outcomes well defined?  | 4 | Yes – Various Schemes, Programmes, Department Circulars, EU and National requirements must all be met.  |
| **CHK5.6** | Are outcomes quantified on a regular basis?  | 4 | Yes – Captured on relevant department returns, KPI’s etc |
| **CHK5.7** | Is there a method for monitoring effectiveness on an ongoing basis?  | 4 | Yes – Audits, Financial System, Department Reports, National Service Indicators, Monthly Progress Reports to Councilors and KPI’s.  |
| **CHK5.8** | How many formal VFMs/FPAs or other evaluations been completed in the year under review? **VFM = Value for Money, FPA = Focused Policy Assessment** | N/A | N/A |
| **CHK5.9** | Is there an annual process in plan to plan for new VFMs, FPAs and evaluations? | N/A | N/A |
| **CHK5.10** | Have all VFMs/FPAs been published in a timely manner? | N/A | N/A |
| **CHK5.11** | Is there a process to follow up on the recommendations of previous VFMs/FPAs and other evaluations? | N/A | N/A |
| **CHK5.12** | How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions? | N/A | N/A |
|  | **Self-Assessed Ratings:** **0** - Not Done, **1 -** < 50% compliant, **2** - 50-75% Compliant, **3** - > 75% Compliant, **4** – 100% Compliant |

**Checklist 6:** - to be completed if **capital projects** **(Ended)** - were completed during the year or if capital programmes/grant schemes matured or **were discontinued**.

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref No.** | **Capital Expenditure Completed** | **Self-Assessed Compliance Rating:****0 – 4** | **Comment/Action Required** |
| **CHK6.1** | How many post-project reviews were completed in the year under review?  | 3 | Post Project Reviews are undertaken on an ongoing basis |
| **CHK6.2** | Was a post project review completed for all projects/programmes exceeding €20m?  | N/A | N/A |
| **CHK6.3** | If sufficient time has not elapsed to allow a proper assessment of benefits has a post project review been scheduled for a future date?  | 3 | Projects are reviewed and monitored on a regular basis. Post Project Reviews are conducted as and when required. |
| **CHK6.4** | Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?  | 3 | Usually lessons/issues that arise over the project are communicated back to the Sanctioning Authority for their information. Where required end of project feedback is also given. |
| **CHK6.5** | Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?  | 4 | Where possible, practices are amended in view of lessons learned |
| **CHK6.6** | Was project reviews carried out by staffing resources independent of project implementation?  | N/A | No |
|  | **Self-Assessed Ratings:** **0** - Not Done, **1 -** < 50% compliant, **2** - 50-75% Compliant, **3** - > 75% Compliant, **4** – 100% Compliant |

**Checklist 7:** - to be completed if **current expenditure** programmes **that reached the end** of their planned timeframe during the year or were discontinued.

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref No.** | **Current Expenditure that (i) reached the end of its planned timeframe or (ii) Was discontinued**  | **Self-Assessed Compliance Rating:****0 – 4** | **Comment/Action Required** |
| **CHK7.1** | Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK7.2** | Did those reviews reach conclusions on whether the programmes were effective?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK7.3** | Did those reviews reach conclusions on whether the programmes were efficient?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK7.4** | Have the conclusions reached been taken into account in related areas of expenditure?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK7.5** | Were any programmes discontinued following a review of a current expenditure programme?  | N/A | No programmes relevant to PSC in 2014 |
| **CHK7.6** | Was the review commenced and completed within a period of 6 months?  | N/A | No programmes relevant to PSC in 2014 |
|  | **Self-Assessed Ratings:** **0** - Not Done, **1 -** < 50% compliant, **2** - 50-75% Compliant, **3** - > 75% Compliant, **4** – 100% Compliant |

**Appendix 3**

Audit Assurance Categories and Criteria

|  |  |
| --- | --- |
| **ASSURANCE CATEGORY** | **ASSURANCE CRITERIA** |
| **SUBSTANTIAL** | Evaluation Opinion: | There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved. |
| Testing Opinion: | The controls are being consistently applied |
| **SATISFACTORY** | Evaluation Opinion: | There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance. |
| Testing Opinion: | There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk. |
| **LIMITED**  | Evaluation Opinion: | There is considerable risk that the system will fail to meet it’s objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance. |
| Testing Opinion: | The level of non compliance puts the system objectives at risk. |
| **UNACCEPTABLE** | Evaluation Opinion: | The system has failed or there is a real and substantial risk that the system will fail to meet it’s objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance. |
| Testing Opinion: | Significant non-compliance with the basic controls leaves the system open to error or abuse. |

1. Public Spending Code, DPER, http://publicspendingcode.per.gov.ie/ [↑](#footnote-ref-1)
2. Circular 13/13: The Public Spending Code: Expenditure Planning, Appraisal and Evaluation in the Irish Public Services-Standard Rules & Procedures [↑](#footnote-ref-2)